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6/24/98

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February 25, 1952

Admiral Murray M. Dwyer
Deputy Administrator
National Defense Assistance Control Act
Room 613, HIRSHFELD Bldg.
Washington 25, D.C.

Dear Admiral Dwyer:

Pursuant to your request, I am attaching the original and several copies of a further breakdown of our proposed budget for the East-West Trade project now under discussion.

I believe that this memorandum contains all the information that you asked for. However, if further detail is necessary, we will try to supply it.

As I go over these figures, it is my own feeling that we have been quite conservative in estimating the degree to which OIT is absorbing part of the cost of the project. I do not think that adequate account has been taken of the supervisory and overhead aspects. Nevertheless, had it been possible, it would have been our desire to absorb even more. However, at least two factors make this impossible.

In the first place, as you know, OIT which is a small agency with a small budget in comparison with the other participating agencies, is already doing a fairly large portion of the staff work for other Battle Act purposes. Not only are we making some of our most experienced personnel almost continuously available for working group purposes, but the whole organization is contributing to the development of a large volume of backstop material.

In the second place, the entire burden of this project will fall on the divisions under Mr. Egan, our Assistant Director for Economic Affairs. These divisions have already absorbed part of the cost of several large scale continuing defense projects. If I may put it figuratively, even a sponge can absorb only so much.

I am advised by our budget people that pursuant to the arrangements between Mr. Hansen and Mr. Egan, they are already in touch with your budget representatives and that considerable progress has been made in effecting the transfer of part of this year's budget.

If you have further questions, please call me.

Sincerely yours,

GIM:augid
cc: Strauss, Keyserling

Karl. L. Anderson
Deputy Director

Attachments

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**ESTIMATED PERSONNEL REQUIREMENTS OF THE 1968 WORLD-SOVIET BLOC
TRADE ANALYSIS PROJECT**

I. PERSONNEL SERVICES

Approximately 32 man-years annually, in various grades, will be required to carry out the proposed project. Of the 32, 23 would be furnished by additional employees employed on the special fund allotted by USR, while the remaining 9 man-years would be furnished by GRT using manpower already on board and not chargeable to the special allotment.

A. New Recruitment Chargeable to New Funds (23 Additional Employees)

(1) Project A: Compilation of Trade Statistics

This project will require 15 new employees. Their collective function will be to compile trade statistics from the national statistics available from individual countries, as itemized in Section A of the previously submitted project outline. These tables will be quarterly, semi-annual and annual, plus special tables on Hong Kong and individual commodity groups as indicated. The breakdown of these 15 employees is:

- | | | |
|-----|----------------------------|-------------|
| (a) | One statistical supervisor | Grade GS-11 |
| | One assistant supervisor | Grade GS-9 |

These supervisors should have a fairly wide range of language skills, as well as statistical and supervisory experience.

- | | | |
|-----|-------------------------|------------|
| (b) | Two statistical typists | Grade GS-4 |
| | Eight statisticians | Grade GS-7 |

Two to have Spanish and, if possible, Portuguese to cover Latin America, Spain and Portugal.

Two to have German and Dutch, to cover Germany, Austria, Switzerland, Netherlands and Indonesia.

Two to have French, and, if possible, Italian to cover France, French Colonies, Turkey, Belgium, Greece, Iran, the Belgian Congo, Italy, Syria and Lebanon.

Two can be well-trained statisticians without foreign languages, to work on tables of countries which have English translations available or which are published in English in the first instance.

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- (c) One statistical clerk Grade GS-5

To be responsible for re-arrangement of tables, inside-out table work and other summary compilations; skilled in table designing, methods of presentation and graphic methods.

- (d) One statistical Clerk Grade GS-5

No foreign language skill needed -- to convert from foreign currencies to dollars and other statistical computations.

- (e) One statistical clerk Grade GS-5

To assist in conversions, computation, etc., the filing of documents, the arrangement of materials and typing.

(2) Project B: Analysis of CCCC Reports

This project will require 3 additional employees as follows:

- (a) One international trade analyst Grade GS-9
One international trade analyst Grade GS-5

These two employees will be responsible for analysis and tabulation of statistical information reported by CCCC, pursuant to Section B of previously submitted program outline. They will need to have analytical ability in selecting significant data and determining presentation.

- (b) One statistical typist Grade GS-4

To prepare for duplication the material produced by the two Project B analysts listed above.

(3) Project C: Analysis of Trade Information developed in Project A, plus Basic and Current Analysis of Trade Agreements and Export Control Systems

This project will require 7 additional employees, as follows:

- (a) One international trade analyst Grade GS-11, with competence and general language familiarity in the Near Eastern region.
(b) One international trade analyst Grade GS-11
One international trade analyst Grade GS-9

With competence and general language familiarity in the American Republics region, to prepare analytical material for the countries of Latin America. These Analysts would be responsible for trade statistics analyses and basic and current trade agreement and export control system analyses for the countries of Latin America.

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- (c) Two international trade analysts - Grade GS-11, with competence and general language familiarity in the Far Eastern region, to prepare such analytical material for the countries of the Far East. These analysts (one of whom, depending upon the exigencies of recruiting might alternatively be Grade GS-9) would be responsible for trade statistics analyses and basic and current trade agreement and export control system analyses for the countries of the Far East.
- (d) One international trade analyst - Grade GS-11, with competence in the British Commonwealth area, to prepare such analytical material for the British Commonwealth countries.
- (e) One international trade economist -- Grade GS-11, British Europe (Continental W. Europe) --

NOTE: Section (e) later revised as follows: "(one international trade analyst -- Grade GS-11, with competence in the European area, to prepare such analytical material for the Western European countries)".

B. Payroll Absorbed by OIT under Existing Funds (7 Positions)

It is estimated that approximately 7 additional man-years per year would be devoted to this program by the existing staff of the Office of International Trade.

It is of course impossible to calculate with precision the time spent on supporting activity of this kind. It includes, however, such elements as the time of supervisory personnel throughout OIT, including the Division Directors and Section Chiefs, as well as the direct working assignments which will be performed by personnel other than the 25 additional employees hired especially for this project. The direct work assignments will include some part of the trade agreement analyses for particular areas and the work already in progress in trade agreements and export control systems, which will serve the purposes of this project. It will also include the handling by the present staff of statistical compilations for the Scandinavian countries, for which it is not contemplated that new hiring will be attempted.

This rough estimate does not include the contribution which OIT would make in the form of overhead services. It is obvious, however, that the program will absorb its share of such overhead services as personnel management services, records and files, messenger service, etc.

II. SUPPLIES, EQUIPMENT AND SERVICES

A. Directly Chargeable to New Funds

The only non-payroll charge for which new money has been requested is that for duplication services. This figure is estimated to be at an annual rate of \$12,000.

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B. Costs to be Absorbed by OIT

The OIT will attempt to absorb remaining expenditures for other objects arising from this program. These costs can only be estimated in approximate terms. It is expected, however, that the furniture and equipment costs alone may run to approximately \$350 per employee for each of the 25 new recruits. This would amount to a non-recurring total of \$8,750. Communications, supplies and other items are estimated at \$1,000 per year.

It should be understood that the foregoing staffing pattern reflects our estimate of the new work which the program will create. The exigencies of recruiting and other developments in work projects may require more or less deviation from this pattern of individual assignments. Conceivably, therefore, some of the 25 new employees may not correspond in eventual individual assignments precisely to those stated above. Realistically, this flexibility is unavoidable in staffing and carrying forward a program of this kind, especially within a going organization. Broadly speaking, however, that aggregate of the work set forth above represents the new demand created upon OIT by the East-West Trade analysis program. The employment of 25 additional people will make it possible to carry out this additional work, whether or not this precise relation between assignment of present staff and of additional staff proves feasible.

The attached Table I recapitulates, on an annual rate basis, the costs described in previous paragraphs. With the exception of the non-recurring equipment item (\$8,750) the cost for the balance of 1992 fiscal year will be approximately 25 percent of that annual rate.

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TABLE I

RECAPITULATION

		Cost to be financed by proposed allotment		(1)- Annual Basis Cost to be Absorbed by OIT		Total Cost
<u>Personal Services</u>						
	<u>No. of Positions</u>	\$		\$		\$
GS-11	(7)	41,500		X		X
GS-9	(3)	15,100		X		X
GS-7	(8)	33,640		X		X
GS-5	(4)	13,640		X		X
GS-4	(3)	9,525		X		X
Total	(25)	113,565	(7)	12,000	(32)	115,565
<u>Other Objects</u>						
Reproduction		12,000				12,000
Equipment				8,750		8,750
Other				1,000		1,000
Total		12,000		9,750		21,750
Grand Total		125,565		21,750		147,315
(2) Balance of O.S. 1962						
Grand Total		11,351		19,000		30,351

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